

MAY 1992

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Hispanic BUSINESS[®]



'92

**FIGHTING
FOR THE
HISPANIC
AGENDA**

TIME FOR RESULTS

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BOOM!

BAM!



Hispanic BUSINESS[®]

May 1992

Volume 14, Number 5



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Congressmen Solomon P. Ortiz (left) and Bill Richardson. Cover by Buffalo Brothers Studios West.

The magnitude of events in our time is almost beyond comprehension. Last year the Cold War ended and the USSR collapsed. This year it seems at times as if the good old USA is itself near the brink.

Certainly to hear the presidential challengers talk, the country's power and prestige are but remembrances of things past. Our economy is being challenged as never before by both internal problems and external market forces. Our political institutions seem incapable of providing the leadership that the American people are saying they want.

But this is a presidential election year. If ever there will be a time to recharge the national leadership and redirect its course, it's now. If ever there will be a time for the electorate to find a voice and force some changes, it's now.

So **HISPANIC BUSINESS** decided to call on that segment of our readership most likely to opt for action: a group of more than 500 high-influence leaders in the professions, business, and government. What do they think about the country's current public agenda? What do they advocate, from their perspective as part of an ethnic community that is on the rise?

To a great extent their outlook is moderate and even conservative. But they are remarkably vigorous in their call for change in this country. They have tended to embrace the Republican candidate for president in the past three elections. But now they say they're dissatisfied with the current Administration's efforts to deal with America's economic woes.

Fully 86 percent of these people—law partners, CEOs, corporate executives, partners in key accounting firms, top government officials, presidents of universities—tell us they think President Bush hasn't done enough to help the economy.

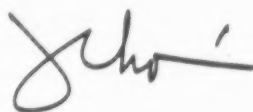
What other changes do our high-influence Hispanic leaders want? Like President Bush, who once said "read my lips," we say, "Read Our Poll." We think you'll find some solid food for thought here.

Politically the Hispanic community is reaching critical mass—if we can get behind a unified agenda of "What We Want Now." We're ready to move from the era of realizing that we have a unique set of issues, to the point where we systematically influence public policy at all levels. Many of our stories this month focus on the need for unity and on the people or groups who are working to create it.

In particular, every Hispanic voter should save our directory of phone numbers and addresses for the 14 Hispanics who represent us in the U.S. Congress. No one is closer to the center of the political vortex than these 14 representatives, and no one has more need to know what U.S. Hispanics think about the issues of the day.

The article "Hispanic Caucus Comes of Age" by Ricardo Chavira is really about the transformation that Hispanic Congressional Caucus Chair Solomon P. Ortiz of Texas has wrought in a once nearly moribund institution.

Finally, we salute the dean of Hispanic Congressmen, California's Edward Roybal, who will retire at the end of this term. Hector Cantu's article "Roybal: A Long-Distance Runner Who Made a Difference" looks back at this man's three decades in the House. And forward, to what his daughter, California State Assemblywoman Lucille Roybal-Allard, may build on the foundations he laid.



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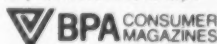
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Election Year '92: Numbers and Clout

Hispanics can be the deciding factor in a close election.

By Michelle Vachon

America's Hispanic population grew 53 percent between 1980 and 1990, when it hit 22.4 million. One out of 22 U.S. citizens of voting age was Hispanic as of two years ago. Just under 46 percent of all Hispanics who were eligible to vote did vote in the 1988 presidential election (versus 57 percent of the overall population). At that rate, 4.25 percent of the vote in November will be Hispanic, according to the National Association of Latino Elected and Appointed Officials (NALEO).

Another fact: although 46 percent of eligible Hispanics voted in 1988, 56.6 percent had registered to vote. The turnout certainly could be better, should be bet-

ter. But it ain't chopped liver.

So what? So "unless the economic situation turns around, it will be a close presidential race. And if it is a close race, the Hispanic vote will be decisive," says Luis C. Caban, associate executive director of the Midwest-Northeast Voter Registration Education Project. For instance, in California—a state representing 54 electoral votes—a 5.3 percent shift of the Hispanic vote from one party to the other would amount to a 1 percent shift nationwide.

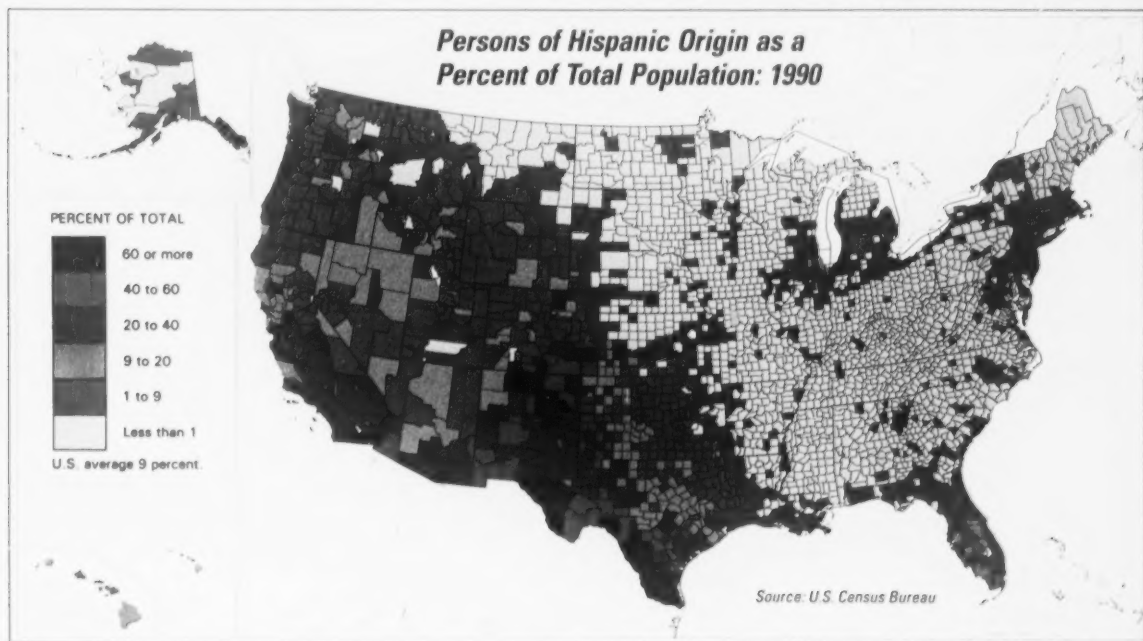
Admittedly, the majority of Hispanic Americans say they have voted either "always Democrat" (67 percent of Mexican Americans and 71 percent of Puerto

Ricans) or "always Republican" (70 percent of Cuban Americans). But by the same token almost a third of each group has voted differently. And Hispanics who trace their ancestry to other parts of Latin America are quite fragmented in their political leanings. Which means that neither party can afford to take any Hispanic group for granted.

Again, so what? So, based on a poll done by *HISPANIC BUSINESS*, the Hispanic community has a common set of issues to support in 1992. This is the time to push for those issues with the candidates of both parties—certainly in Washington, but more important, in the country's heavily Hispanic districts and states.

Because it's the "winner take all" electoral college votes in the states that really decide the election. Of a total 538 electoral votes, the nine states with the highest Hispanic concentration account for 202 of them. That's three-quarters of the 270 votes needed to win the presidency. And that's one reason why Deputy Director of the Census C. Louis Kincannon says "The extraordinary growth of the Hispanic community has dominated this decade."

In the last close presidential election, between Democrat Jimmy Carter and Republican Gerald Ford in 1976, a shift in the electoral vote of one state—Texas—would have given the victory to former



President Ford. That is, as NALEO says, a shift from Democrat to Republican of 12.7 percent of the Texan-Hispanic vote (as of 1990) would have swung 29 electoral votes to Mr. Ford. Mr. Carter won by 28.

Conversely, Mr. Carter's tiny margin would have become a landslide with a switch of 9 percent of California's Hispanic

Caucus has pushed hard for "The Voting Rights Improvement Act of 1992," which would require bilingual assistance in voter registration and at the polls for large Hispanic communities.

But most observers agree that electoral power will depend largely on a myriad of get-out-the-vote efforts at the local level.

Partisanship Among Voting Age Hispanic Citizens

State	Mexican Americans	Cuban Americans	Puerto Ricans	Other Hispanic
Democrat	67.4%	24.5%	71.2%	34.0%
Republican	20.6%	70.2%	19.4%	28.0%
Independant	12.0%	5.3%	9.4%	10.0%
No Preference	—	—	—	27.0%

Source: "NALEO Background Paper #19," based on various surveys completed in 1989.

voters to the Democratic ticket, and 4.6 percent of New Mexico's.

Of this country's 22.4 million Hispanics, 7.69 million reside in California, 4.34 million in Texas, 2.21 million in New York, 1.57 million in Florida, and .9 million in Illinois. These are five of America's six most populous states. In terms of percentages, New Mexico's 579,000 Hispanics are best positioned, representing 38.2 percent of the state's population.

This is the first election since the political lines have been redrawn, and as a community we have a chance to become politically involved," concludes Ruben Franco, who is president of the Puerto Rican Legal Defense and Educational Fund.

Which is why Hispanic voter registration groups across the nation are multiplying their efforts to get out the vote. The National Association of Hispanic Publications has launched an ambitious nationwide voter registration campaign sponsored by Philip Morris Companies Inc. Its public service ad, designed by the Hispanic artist Ignacio Gomez, will run in more than 160 print publications and is being distributed in poster form to Hispanic community groups nationwide.

The Southwest Voter Research Institute recently joined forces with other California groups to launch a massive registration drive targeting 1 million Hispanic votes. And the Congressional Hispanic

"If Hispanics have strong representatives in their community asking them to go and vote, they will follow suit," insists Robert Brischetto, executive director of the Southwest Voter Research Institute. "Hispanics tend to listen first to their leaders at the



The poster of a national voter registration campaign sponsored by Philip Morris.

school, municipal, regional and state levels. You can't expect to storm in every four years, get Hispanic ballots, and disappear until the next presidential campaign."

Indeed, "the Hispanic community is getting organized more quickly than in previous election years," says NALEO's Mr. Pachon. So far, so good. ☐

Percentage of the 1990 Hispanic Vote Needed to Make a 1 Percent Shift in the Statewide Vote

State	Hispanic Votes 1990	% of Hispanic vote needed for 1% shift in the statewide vote	Electoral Votes 1992
Arizona	88,000	6.8%	8
California	844,000	5.3%	54
Colorado	64,000	9.4%	8
Florida	301,000	7.2%	25
Illinois	114,000	18.1%	22
New Jersey	96,000	12.7%	15
New Mexico	126,000	1.9%	5
New York	345,000	8.0%	33
Texas	605,000	4.1%	32
TOTAL			202

ELECTORAL VOTES NEEDED TO WIN THE PRESIDENCY = 270

Source: The U.S. Census Bureau, "Voting and Registration in the Elections of November 1990." Compiled by the NALEO Educational Fund.

The Complexities of Car Wars

Business owners think support for U.S. auto industry is critical.

By Rick Mendosa

The idea of offering bonuses to employees who buy American cars first got national attention in January. The Monsanto chemical company and several others at the top of the corporate heap were offering checks for up to \$1,000 on American-made cars.

But it actually all started in the realm of small business, according to media sources: in Youngstown, Ohio, where surgeon William Lippy's "Jump-Start America" program offering employee bonuses of up to \$800 became "an overnight sensation."

And if "Buy America" got its start at the grass roots level, we wondered, is the Hispanic business community behind the trend? They are.

Our survey shows that seven of 10 Hispanic business owners support the idea. Almost 95 percent of the **HISPANIC BUSINESS 500** CEOs we polled believe the auto industry's health is a key determinant of America's future economic vitality. They're concerned about this major industrial sector's survival, and they want to help save it. More than 75 percent of them would offer employee car purchase bonuses if they got some rebate from the U.S. manufacturer. About 35 percent are considering such a program anyway, even without rebates. And another 6 percent already offer one.

One Buy America backer, right down the street from Dr. Lippy, is Flor (Shorty) Navarro, CEO of Youngstown's Stadium Lincoln-Mercury. "The Doctor's doing a fantastic job," Mr. Navarro beams, "and we have joined his group." It's not surprising that Mr. Navarro, as a Big Three dealer, is one of the trend leaders among the Hispanic CEOs we surveyed.

And he should be, says Fred Burgos,

president of Fred Burgos Construction Co. Inc. in Montgomery, Alabama. "The companies that are directly affected should lead by example," Mr. Burgos, who is "watching with interest" as the trend develops, thinks that if it takes off it may be "the beginning of some fundamental changes

that would make the future of this economy much brighter."

Another company that's directly affected is metal finisher Gyro Processing Inc. in Bellwood Illinois. CEO Jose Parra, who does about 20 percent of his business with GM and 5 percent with Chrysler, will be offering a \$500 incentive come Labor Day to any of his 40 employees who buys a new American car.

Mexican Industries in Michigan—another supplier to Detroit—has helped 12 of its 480 employees buy a new American car through a special four-month program.

If you stretch the point, Vince Lopez offers incentives to his workers too. "All my employees have to drive what I sell, or they get canned," grins this CEO, owner of the South Valley Auto Plaza GM and Chrysler dealership in King City, California. The way he sees it, "their rebate is their job security."

Many other Hispanic business owners take a firm stand for Detroit even when

Bonuses for Buying American Cars?

(% of CEOs Responding to Poll)

QUESTION:

How important do you think the American auto industry is for other American businesses?

Very Important	Important	Somewhat Important	Not Important
80.8%	13.5%	3.8%	1.9%

Are you concerned about how the further deterioration of the industry might affect steel, glass, and other vital national industries and our overall work force?

Yes	No
94.1%	5.9%

Do you believe bonuses to employees who buy American cars are a good idea?

71.7%	28.3%
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Are you offering such an incentive?

6.0%	94.0%
------	-------

Are you considering such a program either on a long-term or short-term basis?

34.8%	65.2%
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Would you be interested in an incentive program if you got a rebate from the U.S. manufacturer?

75.5%	24.5%
-------	-------

Would you consider a Japanese nameplate made in the U.S.A. a domestic car?

38.9%	61.1%
-------	-------

What about a car made in Mexico by an American manufacturer?

46.0%	54.0%
-------	-------

Source: 1992 Poll of **HISPANIC BUSINESS 500** CEOs.

it's not their bread and butter. But Gilberto Valdes is downright hard-line. As president of the janitorial services firm G. Valdes Enterprises in Palatine, Illinois, he simply has "a rule that nobody who drives a foreign car will be hired."

With this mood for old fashioned American "bootstrapping" so apparent in the business community, has Detroit picked up on the trend? Rod Suarez, president of auto tool maker Dixie Numerics in Lake City, Georgia can testify to the Motor City's sluggish start. Mr. Suarez was offering incentives for buying American in 1989, before it became a trend. Although he has a year-long incentive program going again now, he admits he had suspended the program out of "aggravation" at Detroit's failure to even comment on what he was trying to do. In that first year, this CEO "gave 17 of our employees \$200 to \$350, depending on the price of the car."

And with three-quarters of the small business community willing to join in if offered rebates from the Big Three, Detroit still seems slow on the uptake. Each of the major makers has just set up a limited program that offers matching funds for employee incentive payments—but only to the makers' own parts suppliers, and only until early next month. Mexican Industries in Michigan, for example, is participating in both the General Motors and Ford programs.

So "what about a tax credit for busi-

"Every little bit helps, and we should give first preference to spending our money where we make it."

**Roberto Espot, CEO
Roses Southwest Papers Inc.
Albuquerque, NM**

nesses that provide a bonus for purchase of American vehicles?" suggests John Sotomayor, CEO of Jay Automotive Specialties Inc. in Berlin, Pennsylvania.

Among the others who like that idea is Diva Garza, CEO of International Team Consultants Inc. in Houston.

About one in four of the small business owners we surveyed are distinctly less

an outrageously high salary and yet can't manage the company so it makes money, he doesn't deserve his salary," explodes Rita Divis, owner/manager of Aladdin World Travel in El Paso. Labor doesn't



Mexican Industries in Michigan maintenance worker Juanita Saldivar accepts \$500 check from Community Relations Director Rance Aguirre for her new '92 Pontiac Grand Prix.

altruistic. "We don't earn enough to help out a *Fortune* 500 company," fumes Moses Cordova, CEO of Cordova Bolt Inc. in Buena Park, California. Carlos Mollura, president of Vinyl Technology Inc. in nearby El Monte, agrees.

This group tends to focus more on the Big Three themselves. "Why should we subsidize the automotive industry?" asks Hector Sosa, president and general manager of Plastec U.S.A. Inc. in Miami. "If they improve their production efficiency and lower the extremely high salaries paid to their executives and labor, they would be able to compete price-wise with the Japanese or anybody else."

They should "reduce the salaries of auto executives to one-half of what they make now," puts in George Feldenkreis, CEO of aftermarket transmission parts maker Carfel Inc. in Miami. A favorite target of the salary bashers is Chrysler Chairman Lee Iacocca, even though his salary was cut down to \$4,268,000 in 1990, from \$18 million in 1987 and \$20 million in 1986.

"When the CEO feels entitled to such

escape her wrath either. "The unions have to realize they've priced themselves right out of jobs," she accuses. "Unions will close a business rather than negotiate a decent wage so as to help keep the business going."

But since most of the Hispanic CEOs support incentives to help the U.S. auto industry, we wondered what they mean by "American made?"

Is a car with a Japanese name that was built in the United States a domestic car? Thirty-nine percent say "yes," 61 percent "no." What about a car made in Mexico by GM, Ford, or Chrysler? Forty-six percent say "yes," 54 percent "no." That means about 8 percent will consider a Ford assembled in Hermosillo, Mexico to be American, but not a Toyota built in Georgetown, Kentucky.

Roberto Espot says what the majority feel: "Every little bit helps, and we should give first preference to spending our money where we make it. We need to be constantly reminded to buy American."

Continued

Want to Buy American, But Don't Know How?

You want to buy an American car. But the term "American" is deceptively simple. Are you talking where the assembly is done? Whether the employees are American? The country that the profits will go to? Or the country that most of the components came from?

It's profits, says John Gregory, CEO of J.T. Slocumb Co. in South Glastonbury, Connecticut. "Even if the Japanese have a plant over here, I still consider it taking profits from this country to Japan." No, it's who builds the car, says Fred Burgos, CEO of Fred Burgos Construction in Montgomery, Alabama. "Since jobs are what makes the economy tick, where the car is produced is the significant factor."

No, really, it's where the parts come from, say most of the executives we surveyed. "We have to determine how much of the car was produced in this country," says Sam Leto Jr., CEO of Tampa Brass & Aluminum Corp.

Some, like Jack Villodas, CEO of International Creative Data Industries in Bethel, Connecticut, say the car has to include "over 85 percent U.S. material." Bob Sausedo, CEO of Sausedo Metal Products Inc. in San Jose, California, says that it has to be 75 percent, minimum. And Robert Zamarripa, CEO of San Diego Wholesale Electric, would be satisfied with 50 percent.

The only official word we have on what constitutes "American" is the Corporate Average Fuel Economy law, or CAFE. Seventy-five percent is the minimum for U.S. content that a car must meet to be considered domestic under CAFE. Mazda just announced that its new 626 midsize sedan will be the first Japanese-name vehicle to be classified as a U.S. car under CAFE.

And because of our special free trade agreement with Canada, vehicles with 50 percent or more North American content (in dollars) can pass duty free between the two countries. Even at that, there's a dispute between Honda Motor Co. and the U.S. Customs Department about just which costs can be counted. Customs ruled in February

that the Canadian-made Honda Civics aren't North American enough.

Probably the simplest way to know if a car is American is Sean McAlinden's "drive train rule." Mr. McAlinden, an economist in the Office for the Study of Automotive Transportation at the University of Michigan, says the car should be called domestic if the drive train is made in the United States. That includes the engine, transmission, and gear box, which make up one-third of the value of most cars.

The drive train also accounts for at least 20 percent of the assembly job, Mr. McAl-

den says. And if you're looking only at cars with those proud old American nameplates, Mr. McAlinden suggests you take a pass on all of GM's Geo models. The Geo Metro and Geo Tracker are assembled in Canada and Japan. The Geo Sprint, Spectrum, and Storm are all assembled in Japan. The Geo Prizm is assembled in the United States, with a high Mexican content.

Most confusing is the Mercury Tracer. Built in Mexico, it may qualify when the free trade agreement goes into effect. Those with the 1.9cc Dearborn engine have an American drive train. But others, with the 1.8cc Mazda engine, have high Japanese content. As for Chrysler makes, the Chrysler Eagle Medallion is assembled in Canada with a high French content. Several are assembled in Japan: Dodge Stealths, Plymouth Colts, Plymouth Vistas, Plymouth Summits, Dodge RAM 50 trucks, and Dodge Raider trucks. The Plymouth Laser and Chrysler Eagle Talon are assembled here, but have a high Japanese content.

Americans bought 654,236 of these vehicles in 1991, and probably thought they were buying American. ☐



Dixie Numerics CEO Rod Suarez (left) joins two employees in admiring a new Mercury Grand Marquis bought through the company's year-long Buy American bonus program.

indien points out. "And many of the other systems that count toward content are heavily connected to the drive train. The axle, the brake system...and before you know it you'll be above 85 percent."

If we apply the drive train rule, only two Japanese cars built by the "transplant" factories in America would qualify as U.S. made: the Honda Civics and Honda Accords built at the Honda plants in Marysville and East Liberty, Ohio.

But since Honda imports identical Civ-

Read Our Poll: "WHAT

The election year agenda of 500,000 affluent leaders.

What do you think are the most important issues in this election year?

That's what we asked more than 500 Hispanic leaders in business, government, the professions, and the arts. Their answers add up to a national agenda of elec-

tion year priorities that we can say with confidence represent the view of America's 500,000 affluent Hispanic professionals—the 2.2 percent of this country's Hispanic men and women whose annual income exceeds \$100,000 a year.

Income was not a factor in our selec-

tion of survey participants, but higher income correlates with the positions of high responsibility these people hold.

The survey group includes this year's **HISPANIC BUSINESS 100** Influentials, top executives in *Fortune* 1,000-size companies, top federal appointees and civil service executives, partners in the nation's 250 biggest law firms, partners in the Big Six accounting firms, top elected officials, and university presidents.

Each person was asked to rank 10 economic/social issues in order of relative importance, selecting from a list of 20.

So, what is the top issue concerning these leaders? The state of the economy—*by far*. That "affects all matters relating to minority well-being and advancement," says Agustin Medina Jr., a law partner with the firm of Lewis, D'Amato, Brisbois & Bisgaard in Los Angeles. Colorado State Senator Larry Trujillo Sr. agrees simply: "Without a healthy economy, jobs and education, the rest of the problems, can hardly be addressed."

Most respondents think President Bush has not done enough to stimulate the economy: 86 percent say he "has not done enough," and only 14 percent approve of what he has done. Fifty-five percent of them say they voted for Mr. Bush four years ago, another 40 percent for Democratic candidate Michael Dukakis.

Health care is a strong second priority for Hispanics. So rankling is the need for attention to health care that the leaders consider it more critical even than the budget deficit. Gannett Company newspaper chain Vice President Ronald Ortiz says it for many others: "I prioritize the 'people' issues!" he writes with bold strokes. "We can't neglect our old, poor, ill, and children without doing irreparable harm to our social order."

The deficit is a high third on the Hispanic leaders' list of priorities. "We are running a \$250 billion plus budget deficit—compared with \$60 billion or so under President Carter—and no one [in gov-



Fidencio Mares, president of Broken Hills Petroleum's Honolulu-based subsidiary The Gas Company, believes business and society—not government—will improve U.S. education.

WE WANT NOW"

ernment] seems to care!" steams a high ranking professional in Washington, D.C. "The long term implication is catastrophic to our later years and to our children's future!"

And high on almost everybody's list, in a near tie for fourth place, are education for minorities, and unemployment. The remaining five top priorities are American productivity, international competitiveness, drugs, crime, and the country's foreign trade deficit.

Given the intense concern this survey group has with the state of the economy and the budget deficit, what do they think should be done? For one thing, we asked, where do they think the money once budgeted for defense—any so-called "peace dividend"—should go? While the relaxation of tensions between us and the former Soviet Union may be the most positive event in our lifetimes, it forces us to make some hard economic choices. At a time when the economy is already taking a heavy beating, layoffs by defense contractors affect a substantial and growing part of the nation's unemployed workers.

Obviously the government could return



Miguel Nevarez, president of the University of Texas-Pan American, thinks decisions on bilingual education shouldn't be made across the board because "it can help or hurt."

the money to the people by reducing taxes. This was the least favored outcome among our respondents. Only 7 percent would use the peace dividend to cut taxes.

As Fidencio Mares, president of The Gas Company in Honolulu, puts it, a tax reduction would probably not be very big, and "unless it is, it would have little impact on the individual." Also, says Alberto Gonzales, a partner in the Houston law firm Vinson & Elkins, "because of the weak economy, many Americans will save the money from the tax cuts rather than spend it."

The government's other choices are to spend the money—to

give the economy a boost—or keep it to balance the budget. Forty-eight percent say it should be used to help the economy. Almost as many (45 percent) say it should be used to balance the budget.

Like many of those who prefer stimulating the economy, Mr. Gonzales believes this will also reduce the deficit. "A healthy economy results in jobs," he reasons. "Jobs mean additional revenue and fewer families needing government assistance."

The survey group heavily supports two changes in tax policy that both the President and the front running Democratic candidates have proposed. Eighty-two percent favor reinstating investment tax credits. Sixty-eight percent favor cutting the capital gains tax.

Much of this support for the two tax policies is conditional, however. For example, Louis Miramontes, a Walnut Creek, California-based partner in the Big Six

Hispanic Leaders Name Their 10 Top Priority Issues

Rank	Issue	Weighted Votes
1	State of the economy	415
2	Health care	332
3	Budget deficit	295
4	Education for minorities	267
5	Unemployment	265
6	American productivity	207
7	International competitiveness	206
8	War on drugs	199
9	Crime	194
10	Foreign trade deficit	144

Source: HISPANIC BUSINESS poll of more than 500 high influence professionals nationwide.

accounting firm KPMG Peat Marwick, thinks investment tax credits should be reinstated on a short-term basis only: maybe for just one year. An executive on the East Coast suggests that investment credits exclude shelters which don't contribute to the economy. If not, muses another, they would be "another example of the Reagan Administration's failed trickle down theory."

There were more reservations about a capital gains tax cut because it "will be perceived as helping only rich Americans" and create negative publicity, says one business leader. And it wouldn't stimulate the economy anyway, insists California Congressman Esteban Torres, because it would "benefit the super rich, who invest overseas and on luxury items."

The only way a capital gains tax cut would work, indicates another thoughtful survey subject, "is if the number of taxpayers participating in transactions that involve a capital gain grows significantly.

Given the poor state of our economy this isn't a realistic assumption."

"So it would be like applying leeches to treat a blood infection. It's an obsolete and counterproductive remedy," grimaces Washington D.C. lawyer Matias Travieso-Diaz, a partner in Shaw, Pittman, Potts & Trowbridge.

We also asked whether the priority for America's tax money should be "America first," as presidential candidate Pat Buchanan and many on the political right insist, or on "carrying the torch" for the rest of the world. As the one remaining superpower, should we continue footing the bill for global responsibilities? The split was nearly 50-50. Accounting firm Partner Mario Lopez of Deloitte & Touche in Miami speaks for the torch bearers, cautioning, "if we don't carry the torch now, we'll carry weapons later."

On the subject of healthcare—the second hottest issue with the survey group—six of 10 respondents (62 percent) say they'd favor a national healthcare system paid for by employers. Frank Diaz, president of Kemper Service Company in Chicago, speaks for the remaining 38 percent who believe "small business can not afford it." The employer-funded insurance proposal now receiving most support from Democratic leaders in Congress, called "play or pay," would require businesses with 25 or more employees to either provide worker coverage or pay a 7 percent payroll tax for the uninsured.

And more than half of the survey group (53 percent) say they'd back a national health insurance system supported by taxes. One such system being promoted by Nebraska Senator Bob Kerrey would have a \$234 billion price tag. Once again, many of the Hispanic leaders are willing to accept some tax consequences in

order to remedy a problem that they feel strongly about.

Kemper's Mr. Diaz suggests the national health care system be supported through "a social security tax." But he would also "set up a program whereby all doctors and medical staffs would be required to do one to two years of public service to support the system."

Regarding the fourth ranking issue—education for minorities—we asked the Hispanic leaders whether they think improved educational opportunities for Hispanics should be the job of the federal government, or of state and local governments. They don't see it as a question of either/or. Eighty-seven percent say, "yes, the federal government should do more," and 86 percent say, "yes, this is a job for state and local government."

But Mr. Mares in Honolulu believes strongly that society and business will have to accept the major responsibility for better education. And indeed, based on a recent poll of the **HISPANIC BUSINESS 500** and a review of training by major U.S. corporations, a large portion of the business community has already felt compelled to begin shouldering that burden, merely to ensure a competitive work force.

On the controversial issue of whether or not bilingual education helps Spanish speaking students transition to English, the leaders are of divided mind. About 54 percent say "it helps," and 46 percent say



Ronald Ortiz, vice president of the Gannett Company newspaper chain, puts the first priority on improved health care because to neglect it will do "irreparable harm to our social order."



"Civil rights, liberty, and opportunity have eroded during the Reagan-Bush era," says Bronx Borough President Fernando Ferrer. He disagrees with the Administration's stand against affirmative action.

"it hurts" by delaying fluency in English.

Charles Cabrera, senior vice president of the Shearson Lehman Brothers Division of American Express in San Francisco, speaks for those who support bilingual education. "It may delay mastery of the English language," he allows, "but it's well worth having fluency in both languages." Dr. David Ballesteros, dean of the San Diego State University campus in Calexico, California, comes down in favor of it too. Dr. Ballesteros, who is in a good position to consider the results, sees monolinguals (English only or Spanish only) as "the real disadvantaged."

Mr. Travieso-Diaz in Washington, D.C. is one of the many lined up against bilingual education. "Special English training courses help the transition," he insists, "but bilingual education perpetuates the disadvantages of Hispanics." And Dick Rivera, president and CEO of TGI Friday's Inc., thinks that "bilingual education to 'preserve identity' is counterproductive."

Miguel Nevarez, president of the University of Texas-Pan American, thinks the decision can't be made across the board. It can either help or hurt, he thinks, depending on a number of factors.

The productivity of American industry, and international competitiveness—two closely related problems—rank six and seven on the Hispanic agenda.

Productivity, a measure of revenues produced per worker hour, has been growing 0.9 percent a year since 1973, according to the 1992 "Economic Report of the President," after an average increase of 3 percent a year from 1937 to 1973.

We asked the Hispanic leadership group for their view on some of the causes commonly cited for poor productivity: Poor worker education, as the Japanese have accused? High cost of our government's safety and environmental regulations? Labor union rigidity? Or American management's focus on short term profits rather than investment for long term corporate health?

Less than 40 percent think education and regulations are a factor. About 50 percent think the unions have been a drag. But 83 percent of the leadership group,

Hispanic Leaders Weigh The Economic Issues

- What more—if anything—should President Bush and his Administration do to stimulate the economy?
He has done enough: 14 percent He should do more: 86 percent
- Should the so-called "peace dividend" be used to reduce taxes, balance the federal budget, or help the economy?
Reduce taxes: 7 percent Balance the budget: 45 percent
Help the economy: 48 percent
- The Administration has proposed changes in taxes to help the economy by encouraging investment. Others say these are examples of the failed trickle down theory of the Reagan Administration.
 - What about a cut in the capital gains tax?
It will help: 68 percent It won't work: 32 percent
 - What about reinstating investment tax credits?
It will help: 82 percent It won't work: 18 percent
- Up until 1973 American productivity increased several percentage points each year. Since then it has increased on average less than 1 percent per year.
 - Is it because American workers are poorly educated compared to the Japanese and others?
Yes: 39 percent No: 61 percent
 - Is it because labor union rigidities make it impossible for American business to adapt to changing conditions?
Yes: 49 percent No: 51 percent
 - Is it because American management is too concerned with short-term results?
Yes: 83 percent No: 17 percent
 - Is it because government environmental and safety regulations add so much to the cost of American products?
Yes: 36 percent No: 64 percent
- Should the U.S. government impose the same restrictions on Japanese imports to this country as the Japanese government imposes on American imports there?
Let's be reciprocal: 43 percent I support free trade: 57 percent
- The proposed free trade agreement between Mexico and the United States will have major effects on business in the two countries:
 - More gains than losses for the United States: 86 percent
 - More losses than gains for the United States: 14 percent
 - More gains for Mexico: 97 percent d. More losses than gains for Mexico: 3 percent

Source: **HISPANIC BUSINESS** poll of more than 500 high influence professionals nationwide.

many of them men and women in business, lay blame on the short-term goals that management—particularly in publicly traded companies—is said to pursue.

Cris Campos, vice president for operations and engineering with Union Carbide Industrial Bases in Tonawanda, New York thinks all four factors have affected pro-

ductivity. But he, like most of the others, sounds disgusted with American business's focus on short term profits.

"There's too much emphasis on what Wall Street thinks of the business, rather than on running the business for the long term best results of the enterprise," Mr. Campos says seriously. Such short

sightedness may be the cause underlying two other factors the President's "Economic Report" blames for the current slowdown—a decrease in capital investments per worker and a slower pace of technological change.

The Gas Company's Mr. Mares thinks another factor has a big impact on productivity: the legal system. "The sue-now-and-ask-questions-later mentality, the legal system, must change," he urges, and a reduction in such costs nationwide would make a big difference in bottom line business performance.

One of the hardest questions we asked is whether the U.S. government should even the competition somewhat by imposing the same restrictions on Japanese imports as Japan places on U.S. imports. America as a whole seems torn between believing in free trade and a desire to retaliate against the Japanese. The Hispanic leaders still tend to favor free trade, 57 percent to 43.

"Tariffs don't work. Why shoot ourselves in the foot?" objects Ronald Lopez, a partner in the law firm Thelen, Marrin, Johnson & Bridges. That's certainly true of trade with Mexico, according to 86 percent of the survey group. They say they're optimistic that we'll see more gains than losses from free trade. And virtually everybody—97 percent—sees Mexico's businesses benefiting.

"It is true that certain products requiring low-skill labor will move to Mexico," says Peat Marwick's Mr. Miramontes, "but this growth in the Mexican economy will generate hard currency to be spent on products that require high skill techniques. American companies should look for opportunities to increase sales of their sophisticated products to Mexico."

An important dissenter on this issue is Congressman Torres. He expects Mexico to score more gains than losses from a free trade agreement with us, and that on balance the United States will suffer. "As structured," he maintains, "manufacturing and investments will flow into Mexico to take advantage of its low labor cost and environmental laxness."

But we got the most heated comments by far from individuals upset by Reagan

Hispanic Leaders Weigh The Social and Political Issues

1. A national health care system for the United States looks more and more like an idea whose time has come.
 - a. Would you favor it if our taxes had to go up to pay for it?
Yes: 53 percent No: 47 percent
 - b. Would you favor it if all employers had to provide coverage?
Yes: 61 percent No: 38 percent
2. The Reagan-Bush administrations and the Supreme Court have increasingly eroded minority civil rights, specifically cutting back on affirmative action, goals in hiring, set asides, and college admissions. A proposed White House initiative last year would have abolished all equal opportunity programs.

Agree with these policies: 33 percent
Disagree with these policies: 67 percent
3. President Bush has established and staffed the White House Initiative on Hispanic Educational Excellence, which will prepare a report card on what the government is doing.
 - a. The federal government should do more to improve educational opportunities for Hispanics:
Yes: 87 percent No: 13 percent
 - b. This is a job for state and local governments Yes: 86 percent No: 14 percent
4. Does bilingual education help Spanish-speaking Hispanic students by easing the transition to English or does it delay English language fluency?
It helps: 54 percent It hurts: 46 percent
5. Should our priorities be focused on American issues first, or should we accept global responsibilities as the one remaining superpower?
America first: 52 percent Carry the torch: 48 percent
6. How these views correlate with past votes:
In 1980 52 percent voted for Reagan, 43 percent for Carter
In 1984 53 percent voted for Reagan, 43 percent for Mondale
In 1988 55 percent voted for Bush, 40 percent for Dukakis

Source: HISPANIC BUSINESS poll of more than 500 high influence professionals nationwide.

and Bush administration efforts to erode minority civil rights protection. Specifically, 67 percent disagree with the policies of cutting back on affirmative action and goals in hiring, minority set asides, college admissions, and minority scholarships. Not surprising, considering that last year the White House even proposed abolishing all equal opportunity programs, only to do a fast about face when a political firestorm erupted.

Bronx Borough President Fernando Ferrer voices the common reaction that

"Civil rights, liberty, and opportunity have eroded during the Reagan-Bush era."

One effect, says Houston law partner Mr. Gonzales, is that "Hispanics are still not adequately represented in board rooms, as CEOs of companies, and as partners in major law and accounting firms. There is still a great deal of work that needs to be done to eliminate prejudice and bigotry. And civil rights legislation also means providing educational opportunities to minorities. As a Hispanic American, I ask only for an equal opportunity." —continued

Roybal: A Long-Distance Runner Who Made a Difference

Retiring Congressman Edward Roybal stuck to his issues for 30 years.

By Hector Cantu

Mention a liberal Democrat congressman who has spent three decades fighting for bilingual education, the poor, and government aid to new immigrants, and the hackles of most conservatives pop up instinctively. Mention that this lawmaker finally is abandoning his Washington post, and his political enemies couldn't be happier. Right?

Wrong.

U.S. Representative Edward Roybal of Los Angeles arguably has become one of the most powerful Mexican Americans on Capitol Hill. He has served on the important House Appropriations Committee, and

"He is a good man," says a Los Angeles County GOP official who asks not to be named. "He has a bona fide interest in helping his people. He's one of the better legislators we've had in California. I have to admit that he did a lot for economic development."

Comments from his friends and political allies are even kinder.

"Edward Roybal has been a major voice in Hispanic politics in the past half century," says Harry Pachon, director of NALEO and a professor of political science at the Claremont Colleges in California. "On a larger scale, he established mainstream leadership that happens to be Hispanic."

U.S. Representative Solomon Ortiz, a Democrat from Corpus Christi, said in prepared comments that Mr. Roybal has "served with courage and dignity for three decades. He is loved, admired and respected. He will be greatly missed as a member of Congress, but I have no doubt we will continue to rely on his counsel and wisdom in the years to come."

"We're losing a great, a tremendous, power," says 14-year friend U.S. Representative Albert Bustamante, a Democrat from San Antonio. "He is not called one of the cardinals 'just because.' He is one of the most powerful members of Congress. We will miss him dearly."

But a Roybal absence in Washington



U.S. Representative Edward Roybal of Los Angeles is retiring from Capitol Hill after 30 years furthering "a bona fide interest in helping his people."

"He is not called one of the cardinals 'just because.'"

— Representative
Albert Bustamante

heads the Select Committee on Aging. He founded the National Association of Latino Elected and Appointed Officials, and the Hispanic Congressional Caucus.

Yet—in a telling insight into his political popularity—some Republican leaders greeted Mr. Roybal's February decision to forego a 16th term in Congress with, well, sadness.

may not last long. The congressman's 52-year-old daughter, Lucille Roybal-Allard, will try this fall to follow in her father's footsteps—albeit as a representative of the congressional district adjacent to the downtown East Los Angeles neighborhood her father has represented without interruption since 1962.

"I wanted to make history [with the first father-daughter congressional team]," Mr. Roybal, 76, says, "but after I visited my wife's doctor, I changed my mind." The doctor's diagnosis: The constant air travel between Los Angeles and Washington was too demanding on Mr. Roybal's wife Lu-

cille, 74. And since "my wife goes with me everywhere," he smiles, there was only one decision. To end his distinguished political career and settle down at home in Los Angeles.

The announcement surprised many colleagues and political observers. Mr. Roybal in December told the *Los Angeles Times* he had no plans to retire, saying "My health is good. I think I can still handle myself as well as I used to when I was younger." But the December 23 story threw doubts on the congressman's political power, stating that California colleagues were "rankled" when the 15-term congressman "could not muster the necessary political clout" to prevent Congress from raiding the entire \$1.1 billion in federal immigrant assistance funding targeted for California.

As a result, the federal government will withhold about \$600 million in reimbursements for medical, welfare, and educational costs to California during the current fiscal year. The *Times* reported that medical clinics and education programs serving legalized immigrants throughout California would close for the lack of funds.

No lawmaker from California, the newspaper reported, was in a better position to protect the funds. "He wasn't forceful, he wasn't aggressive, and he didn't seem to know how to work the system," the newspaper quoted an anonymous fellow California Democrat as saying.

Congressman Bustamante sees it differently, blaming the loss of funds on a resurgence of isolationism. "It's hard to garner support for these kinds of funds with a nation tinged with some degree of racism," Mr. Bustamante says. "He is one of dozens of California congressmen, so there is blame to spread around. The congressman has lost no power. He is a giant and he goes out a giant."

In his own defense, Mr. Roybal says, "We got no help from the budget committee, and other states were against us." But, the congressman predicts with a strong degree of certainty, "We'll get it [aid to new immigrants] back this year."

Congressman Roybal never has been one to give up easily. In the late 1940s, a

group of Mexican Americans began a drive to have one of their own elected to the Los Angeles City Council. Mr. Roybal—a native of New Mexico who at age four moved with his family to the Boyle Heights area of Los Angeles—was selected and in 1947 made an unsuccessful run for a council seat.

But he and his supporters did not give up. Two years later, after intense voter registration drives, Mr. Roybal became the first Mexican American member of the Los Angeles City Council in 66 years. During his 13 years on the Council, he devoted much of his time to developing community health and child care programs. And social and economic reforms remained on his agenda when he was elected to represent California's 25th Congressional District in 1962.

"He has pushed an agenda in a quiet and unassuming way," Congressman Bustamante comments.

In 1967, Mr. Roybal won approval for the first federal bilingual act. A year later he introduced a successful bill to create a cabinet level Committee on Opportunities for Spanish Speaking People. He also was among the first members of Congress to support research funds for AIDS and Alzheimer's disease. "These were diseases that no one wanted to fund then, but I did," he observes.

Another source of pride: his work with senior Americans. Thanks in large part to Mr. Roybal, there are 20 centers across the country dedicated to applied gerontology. When he leaves office, he plans to work at the Edward Roybal Gerontology Center at California State University-Los Angeles. "At the Gerontology Center I can do some good and be home with my wife," he explains.

Until his retirement, Congressman Roybal still is concerned with national issues—issues he hopes Congress will



Lucille Roybal-Allard will try this fall to follow in her father's footsteps, as representative of a Los Angeles district adjacent to the one her father has served since 1962.

continue to tackle once he leaves office.

He calls the English-only trend "disturbing. We are a multilingual country and we should be. We should encourage students to speak English and other languages to start communicating with the rest of the world." There also must be more educational opportunities for "poor people and migrant workers in various barrios across the country. We need a system that does not encourage drop-outs and provides opportunities to go to a university. There is no effort being made to keep youngsters in school. Parents need to contribute. We used to be among the top 10 in the field of education, the first in health. Now we only excel in research."

The government, Mr. Roybal continues, "has neglected the poor of this country. That has to change. We need a change of attitude. That includes the incumbent and those running against him."

This fall, Mr. Roybal will witness his last presidential election as a U.S. congressman. Looking back on his career, he says, "I want to be remembered as a guy who worked hard on behalf of the people of his district...and that'll be good enough for me." □